

## Message Text

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17

ACTION EB-11

INFO OCT-01 EA-11 ISO-00 PM-07 MC-02 OMB-01 AID-20 IGA-02

COME-00 TRSE-00 L-03 CIAE-00 INR-11 NSAE-00 RSC-01

DRC-01 /071 W

----- 092478

R 290636Z AUG 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 6427

INFO CINCPAC

OSD/OSA WASHDC

DEPT OF NAVY (OPS 63) WASHDC

CHJUSMAGPHIL

UNCLAS MANILA 10371

CINCPAC FOR POLAD

E.O. 11652: N/A

TAGS: MASS, RP

SUBJ: GOP REQUESTS FOR RENEWAL OF SHIP LOAN/LEASE ARRANGEMENTS

1. EMBASSY HAS RECEIVED DFA NOTE NO. 74-2278 DATED AUG 15, 1974 STATING GOP INTENTION TO BUY VARIOUS US SHIPS WHICH ON LOAN/LEASE ARRANGEMENTS TO PHILIPPINES, BUT FOR TIME BEING REQUESTING RENEWAL PRESENT LOAN LEASES WHICH DUE TO LAPSE IN COMING QUARTER. JUSMAG HAS SENT COPY OF NOTE DIRECTLY TO CNO (OPS 63). REQUEST DEPT EXPEDITE RENEWAL LOANS/LEASES.

2. TEXT DFA NOTE FOLLOWS:

QUOTE: THE DEPARTMENT OF FOREIGN AFFAIRS PRESENTS ITS COMPLIMENTS TO THE EMBASSY OF THE UNITED STATES OF AMERICA AND HAS THE HONOR TO REFER TO FOUR NAVY VESSELS - THE LST 515, LST 825, LST 905 AND YTL 427 - WHICH WERE THE SUBJECT OF A LOAN/LEASE AGREEMENT BETWEEN THE PHILIPPINE GOVERNMENT AND THE UNITED STATES GOVERNMENT. THESE VESSELS ARE PRESENTLY IN THE SERVICE OF THE PHILIPPINE NAVY AND ARE STILL URGENTLY NEEDED IN CONNECTION WITH ITS VARIOUS TRANSPORT

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MISSIONS INVOLVING ECONOMIC DEVELOPMENT PROJECTS AND THE

PACIFICATION CAMPAIGNS OF THE ARMED FORCES OF THE PHILIPPINES.

THE LEASE ON LST 515, LST 825 AND LST 905 IS DUE TO EXPIRE ON 26 NOVEMBER 1974, WHILE THAT ON YTL 427 IS DUE TO EXPIRE ON 16 DECEMBER 1974. THE PHILIPPINE NAVY HAS BEEN INFORMED BY THE CHIEF, NAVY DIVISION, JUSMAG PHILIPPINES, THAT THE PRESENT POLICY OF THE UNITED STATES GOVERNMENT IS TO SELL LEASED SHIPS RATHER THAN RENEW THEIR LEASES.

WHILE THE PHILIPPINE GOVERNMENT IS QUITE INTERESTED IN ACQUIRING THESE VESSELS THROUGH PURCHASE, IT IS NOT YET READY TO DO SO AT THE PRESENT TIME. CONSEQUENTLY, THE PHILIPPINE GOVERNMENT WOULD LIKE TO PROPOSE THE RENEWAL OF THE AGREEMENT FOR ANOTHER FIVE YEARS IN THE INTEREST OF THE COUNTRY'S DEFENSE REQUIREMENTS AND IN THE FURTHERANCE OF MUTUAL COOPERATION BETWEEN THE PHILIPPINES AND THE UNITED STATES.

THE DEPARTMENT AVAILSITSELF OF THIS OPPORTUNITY TO RENEW TO THE EMBASSY THE ASSURANCES OF ITS HIGHEST CONSIDERATION. END QUOTE.

3. TEXT EMBASSY NOTE NO. 562 OF AUGUST 29, 1974 WHICH ACKNOWLEDGED DFA NOTE FOLLOWS:

QUOTE: THE EMBASSY OF THE UNITED STATES OF AMERICA PRESENTS ITS COMPLIMENTS TO THE DEPARTMENT OF FOREIGN AFFAIRS OF THE REPUBLIC OF THE PHILIPPINES AND HAS THE HONOR TO REFER TO THE DEPARTMENT'S NOTE NO. 74-2278 OF AUGUST 15, 1974, CONCERNING FOUR U.S. NAVY VESSELS (LST 515, LST 825, LST 905 AND YTL 427), WHICH ARE THE SUBJECT OF LOAN/LEASE AGREEMENTS BETWEEN THE GOVERNMENT OF THE PHILIPPINES AND THE GOVERNMENT OF THE UNITED STATES.

THE PHILIPPINE GOVERNMENT'S INTEREST IN EVENTUAL PURCHASE OF THE VESSELS, AND ITS PROPOSAL, IN THE MEANTIME, TO RENEW THE LOAN/LEASE ARRANGEMENTS FOR FIVE YEARS HAS BEEN CONVEYED TO THE APPROPRIATE AUTHORITIES IN THE UNITED  
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STATES GOVERNMENT. WHEN THE EMBASSY RECEIVES A REPLY, THE DEPARTMENT WILL BE NOTIFIED.

THE EMBASSY AVAILS ITSELF OF THIS OPPORTUNITY TO RENEW TO THE DEPARTMENT THE ASSURANCES OF ITS HIGHEST CONSIDERATION.  
END QUOTE.  
SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TEXT, MILITARY SALES, LOANS, NAVAL SHIPS, DIPLOMATIC NOTES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 AUG 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOP REQUESTS FOR RENEWAL OF SHIP LOAN/LEASE ARRANGEMENTS  
**TAGS:** MASS, RP, US  
**To:** STATE  
**Type:** TE  
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